



**ARIZONA READY EDUCATION COUNCIL
K-20 EDUCATION FUNDING TASKFORCE
October 1, 2012 @ 7:30-9:30am
1700 W. Washington, 3rd Floor Conference Room
Phoenix, AZ 85007**

Meeting Notes

Present: Dr. Craig Barrett (telephonic), Susan Carlson, Tim Carter (telephonic), Chuck Essigs (telephonic), Hugh Hallman (telephonic), Jay Kaprosy, Alan Maguire (telephonic), and Colleen Niccum (telephonic)

Members Absent: Dr. Tom Anderes, Dr. Rufus Glasper, Jaime Molera Stacey Morley, Onnie Shekerjian, and Doreen Zannis

Staff: Dale Frost, Rebecca Gau, and Kerry McConnell

Call to Order, Welcome & Introductions

Dr. Barrett called the meeting to order at 7:43 a.m., provided welcoming remarks and reviewed the purpose of this meeting, which is to get an update on the funding research and discuss and adopt the recommendations of the workgroup.

Approval of Meeting Minutes

Susan Carlson moved for the approval of the September 6, 2012 Task force meeting minutes as presented. Jay Kaprosy seconded and the motion passed unanimously.

Update: Funding Research

Dr. Barrett introduced Kerry McConnell with the Governor's Office of Education Innovation who gave an update on the progress of the two funding research questions;

- How is money re-distributed if different/fewer weights are used?
- What effect do total expenditures have on achievement given school and student demographics?

Ms. McConnell then briefly expanded on weighted student funding, explaining that weighted student funding is funding schools based on the characteristics of their student population. Ms. McConnell intends to take a representative sample of the types of weighted funding that has been used in other states and districts, applying them to Arizona and the reviewing how money would be redistributed when using such a model. Ms. McConnell then advised that the money that would be redistributed in the simulation would be state funds only, and she would be excluding schools

that were open for the 2010/2011 school year but closed that same school year. Members requested that Ms. McConnell add to the research information on LEAs that receive funds from state mandated local sources along with state funds. Ms. McConnell advised that she will come back to the next meeting with examples of simplified weighting.

Update & Discussion: Workgroup Recommendations

Dr. Barrett introduced Dale Frost with the Governor's Office who updated the Members on the final recommendations from the Funding Workgroup. Mr. Frost explained that based on feedback from the Taskforce members, the Workgroup simplifies their guiding principles. Mr. Frost introduced the 4 Areas Discussed In-Depth with Funding Work Group

1. Increasing Flexibility for High Performing LEAs
2. Increasing Supports for Struggling Schools
3. Calculating and Implementing Performance Funding
4. Broadening the Factors Used for the A-F School Accountability Labels

Mr. Frost advised that area 1, 2 & 4 had many differing views from within the workgroup and advised those areas be addressed at a future date. With that in mind the Workgroup focused their work on number 3. Mr. Frost then reviewed the proposed Performance Funding framework. Mr. Frost advised that all numbers in the proposal were just examples and not representative of available funding. Mr. Frost explained that the primary goal for the framework was to provide graduated achievement payments to A, B, and C LEAs as well as provide growth payments to LEAs who move above their highest previous score on the 200 point scale used for the A-F calculations. This would allow not only excelling schools to receive payments but also struggling schools who continue to make advancements. Mr. Frost recommended that the principle of the framework be approved and passed on to the Council, allowing for the Council to make decisions on the dollar amounts set within this framework. Mr. Frost did explain that the main drawback to this framework was that this type of funding could be volatile and should be considered as a small part of a LEAs funding. Jay Kaprozy did inquire into the possibility of setting a limit for resetting the high score setting for growth payments such as a rolling 5, 7, or 10 years. Members discussed this option and decided that would be left for the Council to set.

Mr. Frost then moved on to discuss the Performance Funding Implementation recommendations. He advised that the workgroup discussed how much should be allocated to performance funding, where does the funding come from, and how do you phase the funding in. The workgroup came up with these recommendations to assist in answering those questions;

1. Performance funding should not be paid for through the elimination of specific components of the school funding formula like the Teacher Experience Index
2. Performance funding should be paid for with a combination of new dollars and dollars reallocated from base funding
 - a. A greater proportion of performance funding should come from new dollars than reallocated dollars

- b. Reallocated dollars should come from a percentage decrease on an LEA's total base funding
- 3 Performance funding should grow over time to a certain percentage of total formula funding

Mr. Frost explained that the Workgroup was aware that new funding may be difficult at this time to secure from the General Fund, but the workgroup agreed on this structure principle as a whole. Members discussed the Performance Funding Implementation recommendations understanding that the numbers and percentages given in Mr. Frost's example were again just examples and the precise percentages of both new funding and reallocated funds would need to be discussed and determined by the full Council. Mr. Jay Kaprozy advised he had concerns with the Performance Funding Implementation framework including the 5% cap listed for schools for performance funding, and the reliance on new funding. Mr. Kaprozy also advised that he is in favor of removing less equitable portions of Arizona's funding formula, such as the Teacher Experience Index (TEI). Tim Carter explained that the Workgroup did not consider the removal on the TEI due to the fact that there was not the political will to move Arizona's education funding budget system strictly to a performance based system. It was moved by Tim Carter to approve both the Performance Funding framework and the Performance Funding Implementation framework as a recommendation to the full Education Council. The motion was seconded by Susan Carlson and was passed with Jay Kaprozy not in favor of the motion.

Taskforce Comments

Dr. Barrett reviewed next steps:

- Taskforce is to continue to refine the recommendations
- Present the recommendations with examples to the Council in order to obtain their buy in

Next Meeting:

- December 6

Call to the Public

Mitzi Epstein, a member of Arizona Parents for Public Education, discussed her ideas on how parents in the Peoria District will perceive these recommendations and what their concerns may be including; will districts and new schools get performance funds upfront, that competition amongst LEAs will limit program/information sharing between LEAs. Ms. Epstein advised she was in favor of the addition of a 5, 7, or 10 year rolling cap for the Performance Funding framework. Ms. Epstein finally advised that she is concerned with the closing of schools and the impact of closures to communities and children.

Adjourn

With no further business before the Taskforce, Hugh Hallman motioned to adjourn the meeting. The motion was seconded by Jay Kaprozy and unanimously approved. The meeting was adjourned at 9:13 a.m.